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Atari Online News, Etc.
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->From the Editor's Keyboard "Saying it like it is!"
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There's an old saying in New England that states simply: "If you don't like the weather, wait a minute!" Last week I was singing the praises of Mother Nature because the weather had been gorgeous last week, temperatures in the 60s and 70s. Well, true to the adage above, Saturday night it snowed! We got 7 inches of the wet stuff in my area! Am I ever glad I purchased that snowblower in early fall! Cleaned off the driveway, paths to the cellar bulkhead, dogs' pen, and shed; and even cleaned a few other paths throughout various areas in the yard! It was wonderful! The most that I had to lift was the gas can from the shed to the driveway! One of the greater investments (or as my wife puts it, toys!) I've made. So I guess winter is beginning to set in, although the temperatures have remained above normal since. I can't complain.

I don't have a lot to talk about this week since I'm putting the bulk of this week's issue together earlier than usual. My boss has invited all of her managers over for dinner on the night that I put the most work into each week's issue, so I'll "lose" a night of working on the magazine. And the week is still young. However, we do have some interesting news this week. The HP/Compaq deal continues to heat up; and the Microsoft case takes yet another interesting twist! And there's lots more.

Until next time...

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Charming Chaos Month

Hi All

This Month at the Atari-MIDI mailing list we are covering Electronic Cows great algorithmic application called "Charming Chaos". So far we are covering some ground with some uploads and information as we are learning this application as a group. I would welcome anyone here to join us as well.See signature for link to the list. We could use more

input.

If you have not tried this wonderful program, now is the time. You do not need to be a musician to get something out of it, but by tweaking parameters can come up with some cool stuff.Here is some info as well as the download link on ECows site.

Charming Chaos

Charming Chaos is an algorithmic MIDI sequencer, with a built-in DNA Seed Construction tool that enables you to create your own algorithms. Music composed in Charming Chaos can be recorded in real-time to disk as a type 0 MIDI file, ready to use in your favourite MIDI sequencing package for further editing. If that’s not enough, Charming Chaos also runs as both a desktop accessory and a standalone GEM program, so you can run it at the same time as another sequencer.

Main Features:
4x4 note polyphonic parts
10 programmable DNA seeds
Scale /velocity/ MIDI controller groove mapping templates.
Internal/external MIDI sync.
Real-time MIDI file recording
Programmable MIDI mixer
Portemento/program change and MIDI channel settings
Real-time MIDI input modulation.

Requirements:

Tos1.02-4.04 STFM, STE, TT, Falcon
1 Mb of memory (more may be required when run as an ACC.
640x480 display

(ST HI, TT MED, TT HI, Falcon High color modes.
Will not work in ST MED or Low.)
MIDI Module required. MIDI input source recommended.

Upload section for the Atari-MIDI mailing list: Charming Chaos MIDI files and DNA seeds. The TXT file of the manual is also there:

http://groups.yahoo.com/group/atari-midi/files/AOTM/DEC2001_CHARM/

Web page at Electronic Cow:
http://dspace.dial.pipex.com/electronic_cow/chaos.htm

Download:
http://dspace.dial.pipex.com/electronic_cow/software/chaos.zip

The manual:
http://dspace.dial.pipex.com/electronic_cow/manuals/chaos.htm

Hope to see you at Atari-MIDI!

Tim Conrardy

If you use Atari for Midi come join us at Atari-Midi!

Tim’s Atari Midi World : http://tamw.atari-users.net
Mirror: http://sites.netscape.net/timconrardy/index.htm
Atari-Midi Mailing List: http://www.yahoogroups.com/group/atari-midi

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You can read on Europe Shareware site an article (in French) about how to make a press release with Calamus SL Lite and PDF Print.

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PEOPLE ARE TALKING

compiled by Joe Mirando
joe@atarinews.org

Hidi ho friends and neighbors. Well, I don’t know why it surprises me, but The Holidays are rushing headlong toward us. I don’t know about you, but I’m just not ready. There’s been so much going on everywhere in the world that a holiday seems somewhat out of place this year.

But that’s probably when holidays do us the most good. We really need to take time to stop every once in a while and take stock of what’s important to us. Now I’m not trying to go "Preacher Joe" on you. Heck, I’m just as turned-around as everyone else is. But I DO try to take some time out every once in a while to see what’s going on.

I’d also like to take a moment to congratulate every member of the Team Atari SETI@home search group. The 49 of us have contributed more than 65 YEARS of CPU time toward the search for extraterrestrial life. Of course some have contributed more than others, and some have actually fallen by they side of the road, but the fact remains that we’re doing it together. It’d be great if we could join in the search with our Atari computers, but that’s just not going to happen. As with most things, we’ll just have to set our sites high and be content with the knowledge that we’ve done our best.

Now let’s get to the news, hints, tips, and info from the UseNet.

From the comp.sys.atari.st NewsGroup

Curt Wendel asks about installing BSD on a TT:

"Anyone have good experience installing NetBSD Linux onto the TT or Falcon? I picked up a CD which is supposed to be able to install on M68K systems for $3.99 and I would like to install BSD onto my TT030, I’ve found notes in some readme’s on the disk about support for TT’s and 19" monitors and other features, but the installs on disk are really focused on i386, MacPPC, VAX, Alpha, MIPs systems and no specific M68K install, any help welcomed."

Iggy Drougge asks Curt:

"First of all, are you talking NetBSD or Linux? Those are two different OSes."

John Nicholas Oakes tells Curt:

"Check which version you have. I tried NetBSD 1.5 but it was limited for graphics on an normal TT030. if are using HD Driver for hard drive booting do not bother, use Debian/Linux instead. If you would like the installation details I will download from my Wasabi version1.5."

Fred Horvat adds:

"I installed Linux on my plain 4/4 TT and it works fine but’s an older version. I just had a 8 meg TOS partition, a Linux partition and a Linux swap partition and clicked on the installer program and an about 1 1/2 hours later booted into Debian Linux. I had a 1X CD-ROM drive otherwise would have been quicker."

Stephane Montarsolo asks for help with MagiC on a Falcon:

"I am using a Falcon fitted with a CT2A accelerator board. I recently installed Magic 6.1, considering it was high time to get into multitasking operating systems. Everything fine so far (with the help of the french Atari newsgroup - sorry to be French) except one thing :

I became used to having available extended screen modes on my Falcon (640*480*tc or 800*600*256) under single Tos using Centscreen (uses well the extra capacities of the CT2 board), but now, under Magic, I have not yet found a way to use those. The only thing I got so far is Centscreen running with a Standard video mode (I know because I got the screensaver feature kicking on) but I have been unable to change screen modes or even boot into an extended mode. I am up to now using magxdesk as desktop.

I tried launching Centek’s Videomod.app but this has no effects (does not work either under single Tos).

Anybody succeeded and got the "magic" recipe for it ?"

Lyndon Amsdon tells Stephane:

"Yes, you will need that (Videomod.app) for use under Magic. Maybe you are not operating it correctly. You make the screen you want with CentVidel and save it with a name to your video.dat. Then open up videomod.app in magic and select the one you want a click on the save button. This will set the default screen size. You then reboot, and hey presto, new screen rez!"

Derryck Croker adds his experiences:

"Although I'm able to adjust screen sizes and all that, it's totally useless for me. Part of the screen gets duplicated at one edge of the monitor, and there is pixel garbage at the bottom of the screen.

I therefore use Videlity. It's supposed to be free these days, but I'm afraid that I don't know where you can download it from."

Well folks, that's it for this week. I know it's short, but I figure that with The Holidays now fully upon us, you've got better things to do right now.

There'll probably be a lot of opportunities for partying and merry-making but, please, be responsible. Remember: This is a special time for EVERYONE!

Until next time, keep your ears open so that you'll hear what they're saying when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - Kids' Research Looks at Video Games
"""""""""""""""""""""""""""""""" 'Sheep Raider'! Atari Times Update!
Hackers, Programmers "Improve" Xbox
And more!

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->A-ONE's Game Console Industry News - The Latest Gaming News!
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Kids' Research Looks at Video Games

Video games lack racial and gender diversity, but even many of those for young players include violence, a children's research group said Monday.

Children Now said it studied the 10 best-selling games for a variety of

game systems, including Sony PlayStation and PlayStation 2 and Nintendo’s Game Boy Color and Game Boy Advance, along with games made for computers.

Based on the games, the report said nearly all the game heroes are white males, and that women represent just 16 percent of human characters.

The group said women generally were portrayed as bystanders or secondary characters. Eighty-six percent of black women were portrayed as victims of violence, and there were no Hispanic female characters, the study said.

The study also said that 89 percent of games contained some violent content, half of which harmed game characters.

Children Now said 79 percent of games for ages six and up contained violence.

The study said few of the games studied had features that appealed to girls, such as controllable female characters, the ability to create something and cooperative play.

‘‘Research shows that girls prefer different video game features than boys," said Katharine E. Heintz-Knowles, a former professor of communications studies at the University of Washington at Seattle who conducted the study for Children Now.

‘‘Being comfortable with and enjoying video games and computers may help girls develop an interest in careers in technology, a field in which women are significantly under-represented."

Yashuhiro Minagawa, a spokesman for Nintendo in Tokyo, said the games the company offers are not all violent and that different games appeal to different interests.

‘‘They are generally accepted as family-oriented," he said. ‘‘It’s difficult to say all video games are violent, because there are many games, such as puzzle games and sports games, that aren’t."

Children Now suggested parents read game descriptions, rent games before buying them and talk to other parents about games.

Children Now is an independent, nonpartisan research and action organization.

Ewe’ll Have A Great Time With "Sheep Raider"

The baaaaad news about ‘‘Looney Tunes Sheep Raider," featuring Daffy Duck, Porky Pig and several other Warner Bros. favorites, is the animation. At times, the characters in this PlayStation game are depicted with odd angles that would make any self-respecting animator cringe.

The game also features a studio audience filled with cheering Looney Tunes characters, but as you swing the camera around, you discover that the characters are as flat as cardboard cutouts.

The good news? You’ll get over it. And once you do, you’re in for a lot of fun.

‘‘Sheep Raider" is based on the classic cartoons where Sam, a sheepdog, is responsible for guarding a flock of sheep and Ralph, a wolf and the cousin of Wile E. Coyote, is determined to steal them. The running gag is that Sam and Ralph work regular hours, suspending the roles of predator and prey when it’s time to punch the timeclock or take a lunch break.

In this game, Ralph is required to fulfill more than 15 missions, collecting one sheep each time. In an early quest, for example, players must make Ralph disguise himself as a bush so he can sneak past Sam. In another, Ralph has to get a sheep across a long rope-and-wood bridge that can only hold one animal at a time. To help meet the objectives, you can order tools such as rocket packs, catapults, sheep attractant and dynamite from the famous Acme Corporation.

‘‘Sheep Raider" preserves the classic Looney Tunes humor. When the bridge collapses beneath him, Ralph momentarily remains in mid-air, then his body stretches out like hot cheese dripping over the edge of a pizza slice as he hurtles toward the chasm. Of course, in the next scene, he’s back in one piece, determined to pick up at the point where things went awry.

It’s challenging, it’s comical, and ewe’ll have a great time for $20.

Hackers, Programmers "Improve" Xbox

From its cutting-edge graphics processor to the video game industry’s first built-in hard drive, Microsoft’s Xbox has been praised as one of the most technologically sophisticated game devices ever. But that’s just not good enough for hardware and software experimenters who have been tinkering with the Xbox since the day it went on sale.

From the relatively benign efforts of software coders looking to capitalize on the Xbox’s latent online capacity to hardware geeks willing to risk warranties and good sense in pursuit of better performance, the PC-derived design of the Xbox has encouraged an unprecedented level of tinkering for a game machine in the few weeks it has been on the market.

"It’s a very powerful piece of hardware--that’s what motivates us," said Dan Johnson, a high school senior from Sugarland, Texas, and creator of XboxHacker, a Web site dedicated to disseminating the latest information on Xbox tweaks. "It has the potential to do so much else. We can write lots of programs eventually to really exploit this thing."

That’s why Johnson--a computer programming buff who has previously hacked the ePod Web appliance to run Windows CE programs--has spent more time tinkering with his Xbox than playing games on it.

"I went to Wal-Mart the night before it came out and waited until they opened to get one," he said. "I played a couple of games, and then I started looking for the screws in the case to get it open."

Johnson has made limited modifications to his Xbox so far, preferring to leave the riskier work to more hard-core hackers. "I’m very curious, but I kind of draw the line at soldering," he said.

Even for hackers without such limitations, Xbox achievements have been limited so far, thanks to numerous protection measures Microsoft built into the console.

Hackers have managed to use a faster ATA-100 cable to connect the console’s hard disk and DVD drive. Beyond that, hardware hackers are still in research mode, working to crack password schemes and dissect the basic BIOS programming instructions built into the machine.

"I thought it would be easier than it is," Johnson said. "I think Microsoft put a lot more time into hacking and protection stuff than we anticipated.

"I think we’re slowly making more and more progress. Just in the last couple of days, we’ve figured out some of the hard drive passwords--now we can access stuff on the Xbox hard drive with a PC."

PCs play a large part in most Xbox hacking activities. Other game consoles are custom-built machines that defy easy modification. Nintendo’s new GameCube, for example, doesn’t use standard DVD media or even standard screws to hold the case together.

The Xbox, however, mostly uses off-the-shelf PC hardware, including a Pentium III processor and standard hard drive, attracting the interest of " overclocking" enthusiasts who normally spend their time souping up PCs.

"It’s basically a computer, and computer hardware is what I do," said Keith Whitsitt, owner and editor of overclocking site Icrontic, one of the first sites to explore the guts of the Xbox.

"I was kind of surprised at how not locked-down it was," Whitsitt said. "I thought it was going to be more of a challenge. Honestly, I didn’t have to try that hard to crack the Xbox."

Hacker goals include discovering methods to swap out Xbox components, so original parts can be replaced with a bigger hard drive or faster processor. Whitsitt sees significant interest in modifying the Xbox so it will run standard Linux and Windows software.

Johnson envisions hackers turning the Xbox into an all-purpose home-entertainment center, capable of playing audio and video in the MPEG-4 and DivX formats and handling games for other systems through the use of emulator software.

"I have a whole big stack of old cartridge games," Johnson said. "It would be great to have an arcade system where you could play all kinds of games using emulators."

One of the grandest goals, however, may be to crack the various encryption and protection schemes built into Xbox hardware and software to allow Xbox games to run on PCs, a move that could undercut the market for genuine Xbox hardware.

Some hackers "will definitely want to be able to load the Xbox operating system onto a PC and run games on a computer," said Whitsitt. "I’m sure that was Microsoft’s No. 1 priority when they made the thing, to make sure that doesn’t happen. But anything can be reverse-engineered, and the Xbox isn’t going to be an exception."

Gartner analyst P.J. McNealy said that even if hackers succeed in rigging Xbox games to play on a PC, Microsoft has little to fear from such a fringe element.

"It would be a worse problem if people could convert Xbox games into a file format they could share online and burn onto a DVD," he said. "But just given the tiny number of DVD burners on the market today, even that wouldn't be much of a threat.

"It's possible this could be a threat to the distribution channels for Microsoft in 2003 or 2004. I think it's hard to assess at this point, but I don't see any significant threat now."

Microsoft representatives were not available to comment on Xbox modifications, but the Xbox owners' manual strongly warns against such activities, and opening the console's case voids the warranty.

Microsoft has given grudging approval to a more modest type of Xbox tweak, however. A pair of Linux programmers and online PC gaming site GameSpy each have developed software to allow Xbox users to run multiplayer games over broadband Internet connections, a capability Microsoft plans to offer by mid-2002.

Both systems take advantage of the system's capability for connecting several Xbox units into a local network for multiplayer gaming. By hooking up the Xbox to a broadband-connected PC and running special software on the PC, the independent XboxGW software and the Xbox " tunnel" for the GameSpy Arcade online service allow Xbox owners to expand that local networking capability to online connections.

"Rooty," one of the programmers behind XboxGW, says the software is just a way to deliver a capability Microsoft is still working on.

"When we got our Xboxes, we were promised broadband technology and multiplayer games," he said. "We were pretty disappointed when it wasn't there, so we decided to see what we could do. It was pretty easy. We had it working within like three days of getting the Xbox."

GameSpy founder and CEO Mark Surfas voiced similar motivations. "We've looked forward to console multiplayer gaming ever since we started the company back in 1995," he said. "Having the Xbox come out with the Ethernet port was something we were looking forward to, and we didn't want to wait to be able to do something with that Ethernet port."

Response to both programs has been enthusiastic, with hundreds of players hosting online matches each night for games such as "Halo." Even Microsoft has been mildly approving, recognizing XboxGW and the GameSpy service as creative but technically daunting approaches to online gaming, while Microsoft puts finishing touches on its Xbox network.

"It's amazing and exciting to see the lengths that gamers will go to in order to take their Xbox games online," said Xbox product manager James Bernard. "We think (these) efforts are an interesting science experiment by and for hard-core gamers. (But) in order to engage several players, voice, content download and online support with no PC required, gamers will have to wait for the Xbox online service. And it will be worth it."

Rooty agrees, by and large. "This project was never designed to have more than a six-month life," he said. "We're not looking to replace anything Microsoft is doing."

Surfas acknowledged GameSpy's Xbox service as something of a research lab for Microsoft as the company finishes its online Xbox service.

"They’re clearly very interested in what’s going on with hard-core gamers and what they want from online gaming," he said.

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->A-ONE Gaming Online - Online Users Growl & Purr!

THE ATARI TIMES RETURNS TO PRINT WITH 2001 YEAR-END SPECIAL ISSUE

December 13, 2001

For immediate release:

WINTER HAVEN, FL - The Atari Times Online Newsletter has announced a special print issue to be released in the month of December, 2001.

50 copies of the 2001 Year-End Special Issue will be printed. This 100 page issue contains features, reviews, and previews for all Atari home systems that have appeared on the website over the past year. These include articles for the Jaguar, Lynx, 7800, 5200, 2600, and home computers.

In addition, the 2001 Year End Special Issue will also include 15 pages on previously unreleased material as well as a color cover and a free copy of Issue #11, known as "the lost issue."

Gregory D. George, editor and writer for The Atari Times commented, "People have been asking me to do a print issue again for the past several years, and I’m excited that it has come to fruition. This is one of my proudest achievements and this issue brings back a lot of good memories."

The pre-order pricing of the 2001 Year End Special Issue is $16.95 with shipping charges included. After December 14th, the price will be $19.95, also with shipping included. More information on The Atari Times 2001 Year-End Special Issue, including a table of contents, can be found at http://www.ataritimes.com/specialfeatures/2001_YearEnd.html

The Atari Times is a web-based newsletter devoted to all Atari game systems. Updates to the site are on a weekly basis. Visit http://www.ataritimes.com/ for Atari related news, previews, reviews, and feature articles.

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A-ONE’s Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

Judge Questions Private Microsoft Suits Settlement

A judge on Monday questioned a proposed settlement of private antitrust suits against Microsoft Corp., raising doubts about its dollar value and wondering if it favored the software giant over rival Apple Computer Inc.

Microsoft and most of the class-action attorneys in the case are in favor of a deal that would require the company to spend more than $1 billion to put software and computers into some of the poorest U.S. schools.

But U.S. District Judge J. Frederick Motz said he might have to subtract the value of donated software as well as the value of goodwill the settlement generates for Microsoft.

‘‘If Microsoft is generating goodwill out of this, it should put more into this," Motz told Robert Hall, an economist testifying in favor of the settlement on Microsoft’s behalf.

Earlier on Monday, Motz appeared to share concerns raised by Apple that the agreement would flood schools with refurbished personal computers running Microsoft’s Windows operating system and other software.

‘‘If in the solution there are structural biases, however good the intention, then that’s something that’s got to be of concern," Motz said.

Critics also say the settlement helps Microsoft make further inroads into the school market where Apple has traditionally been strong.

Meanwhile, some lawyers in the case say the deal is a fraction of what Microsoft owes for abusing its monopoly over personal computer operating systems and overcharging millions of people for software.

‘‘The judge has clearly expressed concerns about the settlement," Dan Furniss, an attorney representing Californian consumers, told reporters outside the court.

Motz is trying to weigh the value of the proposed settlement against the probability Microsoft could lose and pay more if the class-action suits were allowed to proceed in court.

Motz asked Microsoft why it did not just distribute the money and let schools spend it on whatever software they liked.

Microsoft deputy general counsel Tom Burt said the software giant could help more schools under the proposed settlement, distributing more software at a lower cost than if the same schools went out and bought programs on the open market.

Burt accused Apple of trying to take Microsoft’s settlement money and get it spent on Apple products. ‘‘Microsoft believes this settlement fully maximizes the value of this case," he said.

The preliminary hearing on the private suits settlement proposal was continuing. Motz held a day of hearings on the settlement last month.

The private suits are separate from the over three-year-old landmark antitrust case being heard in Washington, D.C., in which Microsoft agreed

last month to settle with the U.S. Justice Department and nine of the states that had joined that suit.

Another nine states have said that settlement is inadequate and proposed their own remedies in a filing last week with District Judge Colleen Kollar-Kotelly.

Justice Defends Microsoft Settlement

A top Justice Department lawyer defended the government’s antitrust settlement with Microsoft Wednesday, telling senators that the deal complies with previous court rulings and will restore competition put in jeopardy by the software giant’s illegal practices.

Justice antitrust chief Charles A. James faced skeptical senators in the abbreviated hearing and rebutted concerns that the proposed settlement is unenforceable and has too many loopholes.

‘‘So much of what has been called loopholes are carve-outs necessary to facilitate pro-competitive behavior," James said.

The senators were due to hear from Microsoft lawyer Charles ‘‘Rick" Rule, as well as several Microsoft critics. But the hearing was cut short after two hours because of an unrelated procedural matter, and will be rescheduled.

Several senior members of the Senate Judiciary Committee said they doubted the settlement would promote competition in the industry. They said they wanted to see an end to the case, but were not impressed by the settlement terms.

‘‘Rather than closing the book on the case," said Sen. Orrin Hatch, R-Utah, ‘‘the proposed settlement only appears to be the end of the latest chapter."

Hatch cited a letter from former Netscape executive Jim Barksdale, who said that under the terms of the proposed settlement, Netscape, a Microsoft rival, would never have existed.

‘‘If the (settlement) goes into effect, it will subject an entire industry to dominance by an unconstrained monopolist, thus snuffing out competition, consumer choice and innovation in perhaps our nation’s most important industry," Barksdale wrote.

Netscape has since been bought by the company that is now AOL Time Warner. Barksdale remains an AOL board member.

The Bush administration settled with Microsoft to get immediate relief for consumers, officials said. The settlement requires that Microsoft allow consumers to remove some features in Windows and release some of the Windows blueprints to competitors so they can write compatible software.

In March, a federal judge is scheduled to decide whether the settlement is good for consumers.

Also Wednesday, Microsoft responded to calls for stronger penalties from nine states who have not settled with the software giant. In a court

document, Microsoft said the proposed remedies, which range from making the company sell a stripped-down version of Windows to disclosing more of the Windows blueprints to competitors, are ‘‘extreme."

Microsoft lawyers said the state attorneys general ‘‘seek to punish Microsoft and to advance the commercial interests of powerful corporate constituents - Microsoft competitors such as Sun Microsystems, Oracle, Apple and Palm."

Sen. Mitch McConnell, R-Ky., was the only senator among the five present who defended the company. McConnell cited a poll that found Americans favor a settlement in the case.

Committee chairman Patrick Leahy, D-Vt., retorted that ‘‘the majority of people favor a settlement, but I don’t think they favor any settlement, they favor a good settlement."

Two Microsoft competitors, software firms Red Hat and Liberate Technologies, sent executives to testify before the committee.

Red Hat head Matthew Szulik, whose Linux operating system product was called a ‘‘cancer" by Microsoft chief executive Steve Ballmer, wrote that the settlement will do nothing to stop Microsoft’s illegal practices.

‘‘Biologists know that an unbalanced ecosystem, one dominated by a single species, is more vulnerable to collapse," Szulik wrote. ‘‘I think we’re seeing this today. Under the consent decree, it will continue and probably get worse."

HP, Compaq Deal Now in Hands of Shareholder Adviser

The fate of the largest computer merger in U.S. history now rests largely on a small Maryland firm charged with advising some of the nation’s largest index and public pension funds.

Hoping to salvage their much-maligned merger, Hewlett-Packard Co. and Compaq Computer Corp. have stepped up preparations for several crucial meetings with analysts at Institutional Shareholder Services, likely to take place next month.

Merging companies typically place a great deal of weight on such meetings since ISS recommendations influence the voting habits of some of the largest U.S. stockholders.

But for Hewlett-Packard and Compaq, ISS’ recommendation takes an even greater sense of importance following last Friday’s events -- when HP’s largest shareholder, the David and Lucile Packard Foundation, joined other members of the firm’s founding families and said it would vote against the deal.

‘‘We would liken the (merger’s) prospects to the (best-of-seven-games) World Series in which proponents of the deal have lost the first two games and are behind in the third," said George Elling, a Deutsche Banc analyst, in a research note. ‘‘From here, HP and Compaq management can still get the merger done, albeit it will be more difficult."

ISS will not make its formal recommendation on HP/Compaq until two or three

weeks before the official shareholder vote. The companies have not yet announced that date, in part because they are trying to wrap up various regulatory approvals first, but it is expected to be some time late in the first quarter.

The companies have already been in communication with ISS informally, however, and are supplying the firm with data supporting the merger, sources said.

Still, in a series of meetings Friday night after the Packard Foundation released its decision, executives of both companies concluded the odds still favored getting the deal approved, according to sources close to the discussions.

While the Hewlett and Packard families control roughly 18 percent of HP’s outstanding shares, slightly more than half of the company’s shares are in the hands of institutional holders, which tend to be more influenced by a merger’s strategic rationale than emotional issues, such as job losses.

The Packard family has opposed the merger because they believe it will create a less stable asset and dilute the company’s traditional printing franchise by injecting it into the lower-margin personal computer market and competitive computer services market.

The companies, however, contend the deal will give the company better depth long-term, particularly if it is able to grow the services unit and focus more on high-end computers.

Since HP and Compaq need only to have a majority of the voting shares approve the merger, the executives decided they could still win approval, sources said.

An essential component to winning those votes, however, is a thumbs-up recommendation from ISS, which serves more than 700 institutional clients worldwide. About half of those clients, including several that hold Hewlett-Packard or Compaq shares, either let ISS vote their shares or are greatly influenced by the Rockville, Maryland-based group’s recommendations.

‘‘The belief is if we win ISS, then it’s a horse race again," said one source familiar with the companies’ thinking.

Indeed, the strongest source of optimism lies in ISS’ methodology, which places great weight on a merger’s rationale and the board’s diligence putting it together.

‘‘At the top of the list for us always are ... the economics of the deal itself. Does this deal make sense?" said Patrick McGurn, director of ISS’ corporate programs. ‘‘Our horizon is probably mid-term. We’re not looking 10 years down the road, but we aren’t looking a quarter ahead either."

On that point, Hewlett-Packard and Compaq are confident they can win. Even the Packard Foundation, several executives note, said it understood the deal’s strategic rationale.

ISS also almost always supports friendly mergers, proxy experts said. When deals are contested or become hostile, the odds of a positive recommendation drop to about half.

Some analysts argue the deal’s hurdles may be higher than the firms think.

Bear Stearns analyst Andrew Neff said Monday he believes ISS' decision would be based partially on a Booz Allen analysis the foundation used to decide against the deal.

And, there is no guarantee the institutional clients will follow ISS' lead this time. ISS is thought to have direct influence over between 10 percent and 15 percent of Hewlett-Packard's shares and influence over a ''significant minority" on top of that, according to two sources.

But many, given the merger's high profile, may make their own decision, regardless of their arrangement with ISS.

Israeli Teens Confess To Launching 'Goner' Worm

Four Israeli teenagers have confessed to being behind the "Goner" computer worm that has affected hundreds of thousands of computers around the world, police were quoted as saying this weekend.

The four high school students, all aged 15 or 16, were arrested in Nahariya, in northern Israel, and taken into custody, according to published reports. After one confessed to creating and spreading the worm, which has slowed considerably but still is infecting systems, the other three also admitted to it, law enforcement officials reportedly said.

Security experts said the four youths may have been apprehended because they left their online nicknames in the worm's computer code, reports said. Also, the fact that the worm targeted some instant chat users led investigators with Israel's computer crime squad to believe the perpetrators of the worm may have been teenagers.

Under Israeli law, the four could serve between three and five years in jail, according to reports.

Experts warned that the Goner worm had the potential to be the most destructive virus since "Love Letter" hit home and corporate personal computers last year, causing US$8.7 billion in damages, according to Computer Economics.

Security software firm McAfee last week designated Goner a high outbreak worm, giving it its most severe rating. Other called the worm "incredibly fast-moving," and issued warnings.

A Tokyo security firm gave Goner its second-highest ranking and a Hong Kong computer emergency agency issued warnings. However, after wreaking havoc in Europe and the U.S., the worm never caused significant damage in Asia, where instant chat programs, which the worm uses to spread rapidly, are not as widely used.

Security experts reportedly have said Goner has affected up to 80,000 computers in 19 countries, including Israel.

The Goner worm was designed after Melissa, the notorious and costly worm that caused millions of dollars of damage in 1999. That worm had the ability to escape detection by antivirus software and security firewalls.

The Goner virus started getting notice earlier this month, first in

Europe, and especially in France and Germany.

A mass-mailer worm disguised as a screen-saver, Goner propagates itself through the Internet and other networks. It is distributed by e-mail mainly to Microsoft Outlook users, although users of Outlook 2001, the latest version, are less apt to fall victim because the program blocks potentially harmful attachments by default.

Outlook 2001 also provides warnings to users when a program tries to access a user's address book, which the virus uses to mail itself to other victims.

Goner is not a self-activating worm. It contains a payload inside that must be activated by the user. When activated, the worm deletes files from computers and then e-mails itself to addresses in the user's address book. It also uses a fake error message to disguise itself.

The worm tries to delete security software, exposing users to further attacks. In addition, it installs a "back door," which could turn computers into launch pads for denial-of-service attacks. Antivirus firms were able to issue antidotes to the worm because, though potentially costly, it is not complicated.

The worm closely follows the Badtrans worm, which also targeted Microsoft Outlook users.

Poetic Goker Disables Antivirus Potection

Not all Internet worms contain misspellings and sex references. In fact, Goker (w32.goker.a@mm) is even a little poetic. Unfortunately, this worm will attempt to contact everyone in your Microsoft Outlook address book, potentially tying up e-mail servers with excess traffic. Goker also contains an mIRC script that allows the worm to spread from infected users to other IRC users who share the same channel. In rare cases, Goker can spread via a Web page, asking users who happen upon an infected Web page to download a file called Web.exe. At this time, Goker is not known to damage data files, but it will disable antivirus software running at the time of infection. Goker currently ranks a 4 on the ZDNet Virus Meter.

How it works

Goker arrives as e-mail with one of the following subject lines:

* If I were God and didn't belive in myself would it be blasphemy
* The A-Team VS KnightRider...who would win?
* Just one kiss, will make it better. just one kiss, and we will be alright.
* I can't help this longing, comfort me.
* And I miss you most of all, my darling...
* ...When autumn leaves start to fall
* It's dark in here, you can feel it all around. The underground.
* I will always be with you sometimes black sometimes white ...
* ...and there's no need to be scared, you re always on my mind.
* You just take a giant step, one step higher.
* The air will hold you if you try, trust my wings of desire. Glory, Glorified...

The body of the e-mail contains one or more of the following:

* Happy Birthday
* Yeah ok, so it’s not yours it’s mine :)
* The horizons lean forward, offering us space to place new steps of change.
* I like this calm, moments before the storm
* Darling, when did you fall...when was it over?
* Will you meet me...and we’ll fly away?!
* You should like this, it could have been made for you
* speak to you later
* They say love is blind...well, the attachment probably proves it.
* Pretty good either way though, isn’t it?
* still cause for a celebration though, check out the details I attached
* This made me laugh
* Got some more stuff to tell you later but I can’t stop right now
* so I’ll email you later or give you a ring if thats ok?!
* Speak to you later

The attached filename consists of a random number combined with some of these strings:

* tgfdfg
* jhfxvc
* cgfd2
* trevc
* t6tr
* ffdasf
* glkfh
* fhjdv
* qesac
* kujzv
* weafs
* twat
* rewfd
* gfdsf
* hgbv
* fdsc
* p0olik
* 3tgf
* rf43dr
* t54refd
* ut545a
* r4354gkjw
* vgrewu
* xw54re
* y343rv
* z3vdf

Lastly, the filename has one of these extensions: .pif, .scr, .exe, .com, or .bat.

If the attached file is opened, the worm adds the infected user’s name to the end of the message and sends copies of the mail to all addresses in the Microsoft Outlook address book. Goker also contains a script called script.ini. If an infected user joins an IRC channel, Goker sends the infected file karen.exe to new users joining that channel. The worm looks for specific words used on the channel and will change a user’s nickname to variations on Karen, such as KarenWorm or KarenGobo, or change the

user’s channel to #teamvirus.

If the infected computer is also a Web server running Microsoft IIS, Goker can infect the Default.htm page so that outsiders who visit the site will be asked to download a file called Web.exe. The infected Web page contains the text "We Are Forever."

On infected computers, Goker looks for and disables several popular antivirus products, including Symantec, F-Secure, Kaspersky, Sophos, and Trend Micro.

Removal

Almost all the antivirus software companies have updated their signature files to include this worm. For more information on removing Goker from your system, see Central Command, Computer Associates, F-Secure,McAfee, Panda, Sophos, Symantec, and Trend Micro.

Court OKs ExciteAtHome Deal with Comcast, Cox

The Bankruptcy Court in San Francisco approved Internet service provider ExciteAtHome Corp.’s plans to temporarily provide access to Comcast Corp. and Cox Communications Inc. subscribers, the cable companies said on Tuesday.

Comcast and Cox each reached a deal with the bankrupt company to provide network services each company’s cable modem subscribers for three months for $160 million in lieu of subscriber fees it would have normally paid ExciteAtHome.

Each company is in the process of building its own high-speed network to replace ExciteAtHome’s network. Comcast will begin moving customers to its network this month and will be completed by the end of February. The company has said it will spend about $75 million to build the network.

Cox has also said it plans to build its own high-speed network.

Early Archive of Net Rants and Raves Restored

A virtual treasure chest of over 700 million message postings, chronicling everything from the fall of the Berlin Wall to Pee Wee Herman jokes, has been restored on the Internet, much to the delight of Net fans.

Popular Internet search service Google acquired the UseNet discussion group archive last February when it purchased the now defunct DejaNews.com.

The earliest message postings had been taken down by then, triggering consternation among nostalgic Net heads.

The privately held Google on Tuesday made good on its promise, bringing back an essential voice of the Internet’s early years. Rants, reviews, and ‘‘new" discoveries in all their unedited glory have been restored, dating back to 1981.

‘‘Google’s UseNet archive is a veritable international treasure," one user wrote on Wednesday. ‘‘I really don’t think I’d want to suffer another interruption of access to it."

The restored postings run the gamut from the odd to the touching.

For example, in January, 1986 and November, 1989 users posted timely personal accounts of the U.S. space shuttle Challenger crash and the fall of the Berlin wall, respectively.

‘‘As we sit here in West Berlin this morning, we are just discussing the news about the wall -- its open and may soon be no more!!!!," one dispatch reads.

Over the years, UseNet has attracted the good, bad and ugly, including comment and debate on every facet of current events and popular culture.

Originally the domain of academics and computer enthusiasts, the discussion group, which predates the dawn of the World Wide Web by a dozen years, has evolved into a global forum growing in popularity alongside the Internet itself.

The earliest message is dated May 12, 1981, four years before the birth of America Online, the world’s largest Internet service provider. It’s an obscure product review for a Versatec V-80 electrostatic plotter, which carries an $8,500 price tag.

A few weeks later, the first reference to Microsoft appears in the form of a tame synopsis of a BYTE magazine article describing the company’s newest Unix software launch.

In July, 1983, a user mentions Madonna in passing in a statement about album speeds. It was the first of over 570,000 UseNet postings on the artist.

It’s not all irrelevant blather either.

In December, 1982, a contributor posted on UseNet the first message about AIDS, triggering a string of poignant responses from concerned users sharing information on the deadly disease.

‘‘The disease sounds very frightening...Seems like the public should be more aware of it," one alarmed respondent wrote.

The tradition of chronicling news events, sometimes as they happen, is a legacy that lives on today with UseNet. On Sept. 11, hundreds of thousands of users streamed onto the service sharing observations and theories as the events unfolded.

In reintroducing the archive, Google calls it ‘‘the most complete collection of UseNet articles ever assembled and a fascinating first-hand historical account."

One contributor on Wednesday took up the challenge, discovering what may be the first UseNet reference to British rock band The Who. ‘‘And after discovering that little gem, I’m off to get a life," the user wrote.

U.S. Reaches Deal to Free Russian Programmer

The United States agreed on Thursday to free Russian software programmer Dmitry Sklyarov in exchange for testimony against his company about alleged violations of U.S. copyright law, lawyers for both sides said.

Sklyarov, who has been at the center of a widely publicized case involving free speech rights in cyberspace, will be able to return to Russia once the government has completed deposing him, said his defense attorney, John Keker.

Under the cooperative agreement, Sklyarov admitted to writing a program that allowed for digital books to be copied and transferred but did not plead guilty to any charges, said Assistant U.S. Attorney Matt Jacobs.

The criminal charges against him will be dropped after he testifies on behalf of the U.S. government and completes court-ordered supervision for at least one year, Jacobs said.

Once in Russia, Sklyarov will be prohibited from violating any U.S. copyright laws and will be required to phone in to a court officer in the United States once a month, according to Jacobs.

Sklyarov was arrested in July after giving a presentation in Las Vegas about software he had developed which allows people using Adobe Systems Inc. eBook Reader software to copy and print digital books, transfer them to other computers and have the computer read them aloud.

Keker predicted that Sklyarov’s testimony would lead to an acquittal for his Moscow-based employer, ElcomSoft Co. Ltd.

‘‘He wrote a program that showed that Adobe encryption was worthless and a threat to all the copyright owners relying on Adobe software," said Keker. ‘‘This is the subject of his PhD thesis.

‘‘The government may have a misunderstanding about what happened, and the motivation," Keker added.

Prosecutors declined to comment on what value Sklyarov’s testimony would have to their case.

Sklyarov, who turns 27 on Dec. 18, and ElcomSoft were both charged with selling and conspiring to sell technology designed to circumvent the U.S. Digital Millennium Copyright Act, a law enacted last year which bans the sale of technology that thwarts copyright protections in computer and electronic programs.

Sklyarov, who was released on $50,000 bail, pleaded not guilty in August and has been living in San Mateo, California, pending resolution of his case, which had not been expected to go to trial until June or later.

He faced up to 25 years in jail if convicted. His employer still faces $2.25 million in fines if found guilty.

As the first person charged under the controversial DMCA, Sklyarov quickly became a cause celebre among cyber-activists, who charge that the new U.S. law is too broad and impedes software development.

Following his arrest, Russia warned computer experts of the dangers of visiting the United States.

The deal, in the form of a ‘‘diversion agreement" approved Thursday by U.S. Federal Court Judge Ronald Whyte, will require Sklyarov to testify in the trial of ElcomSoft -- a move defense lawyers say could actually bolster the Russian company’s case.

‘‘ElcomSoft offered to take Dmitry’s place and substitute the company as the sole defendant in this case," Joe Burton, attorney for ElcomSoft, said in a statement.

‘‘The company knows that neither Dmitry nor they committed any criminal acts and believes that in the end, they will be found innocent of any and all charges the U.S. Government is bringing against them," Burton said.

ElcomSoft Chief Executive Officer Alex Katalov welcomed the deal to free Sklyarov, saying the programmer’s welfare has been the company’s top priority.

‘‘This decision actually liberates us from worrying about Dmitry going to jail," Katalov said in a statement. ‘‘Now this risk is removed, the company can pursue its own defense more aggressively."

Sklyarov himself -- who has become an unlikely poster boy for free speech activists around the globe -- said he was relieved that he and his family could finally contemplate returning home.

‘‘Until I’m in Russia, it is too early to say that I’m happy. But this agreement looks like (the) first significant change in my situation for last five months, (my) first real chance to get home," he said.

Sklyarov, who is currently completing his doctorate, is living with his wife and two young children who joined him from Russia after his release on bail.

Robin Gross, staff attorney for the Electronic Frontier Foundation, said public pressure had led to the agreement.

‘‘We are thrilled the government has finally realized that the public does not support prosecution of this young man for writing software," she said.

Apple’s OS X Brings America Online

America Online said Tuesday that it has readied a Mac OS X version of its flagship software, marking another key program that has been reworked for Apple Computer’s new operating system.

The arrival of AOL for Mac OS X, which had been available only in a beta, or test, version follows the delivery last month of Microsoft Office v. X for Mac OS X, perhaps the most eagerly awaited Mac OS X program.

Although older Macintosh programs work in the so-called classic environment of Mac OS X, programs must be tweaked to take advantage of the operating system’s new features such as improved stability and its Aqua user interface.

Analysts have said it is critical for major applications to be available for Mac OS X before use of the operating system will take off. One of the

key remaining programs is Adobe Systems' Photoshop, which is not expected to be optimized for OS X until next year.

AOL, a division of AOL Time Warner, is the world's largest online service, with 32 million subscribers.

In addition to adding Mac OS X support, the new version of AOL's software allows members to sort e-mail messages by sender, subject, date or type. It also includes the latest versions of Microsoft's Internet Explorer and Macromedia's Flash software.

AOL and Apple have been working together on several projects in recent months. In November, Apple introduced a new version of its AirPort wireless networking software that allows Mac owners to share an AOL connection within a wireless home network.

"We'll continue to look for opportunities to extend the AOL experience to the Mac community by programming the AOL service in ways that enhance the Macintosh user's experience," Peter Ashkin, president of product strategy for AOL, said in a statement.

Apple released Mac OS X in March and has started including it on new Macintoshes. However, for now, Mac OS 9 is still the default operating system on new machines.

AOL Launches Test Version of MusicNet Service

America Online, the Internet service of AOL Time Warner Inc., said on Tuesday it introduced a test version of the long-promised MusicNet music subscription service and expects a full launch of the service next month.

The service, which was established by three of the world's largest record labels -- AOL Time Warner's Warner Music Group, Bertelsmann AG's BMG Entertainment, and EMI Group Plc, -- along with Internet media delivery service RealNetworks Inc., was also launched last week on RealNetworks hrough its RealOne service.

Similar to RealNetworks' offering, subscribers to America Online, the world's largest Internet service provider, will be able to download or ''stream" 100 songs a month from a selection of 78,000 songs for a monthly fee of $9.95.

AOL is betting that the MusicNet service will help the service establish a broader music presence on the Internet. One of the selling points of the new version of AOL software, AOL 7.0, is more features like the AOL Radio service.

''The introduction of MusicNet 1.0 will expand our range of music offerings and represents an important starting point for an entirely new way to purchase music online," said Kevin Conroy, general manager of AOL Music.

The move comes a week after independent online music firm Listen.com rolled out its Rhapsody subscription service. Rival subscription service Pressplay, a joint venture between Vivendi Universal's Universal Music Group and Sony Corp.'s Sony Music, is expected to launch its service later this month.

After fighting a successful legal battle to stop the unlicensed traffic of copyrighted songs on the Internet that peaked with the court ordered shutdown of the free Napster service in July, the record industry has been criticized for waiting so long to launch its own online services.

At the same time, some industry watchers remain skeptical that the new fee-based services will be able to gain ground against other free file-swapping services that still operate online.

‘‘MusicNet is not something that’s going to change the business overnight," said Bob Pittman, co-chief operating officer at AOL Time Warner Inc., to reporters at Internet World. ‘‘We are realistic about what it is and what it is not."

But he noted that the new technology could give a boost to a music industry that has been sagging from weaker sales. He noted that the current business environment was similar to the early 1980s. At that time, MTV and compact discs emerged as new ways to promote and sell music, he said.

Pittman was one of the founders of MTV.

Appeals Court Hears Napster Case

Both sides in the battle over the song-swapping service Napster asked a federal appeals court to modify lower court rulings that have kept the company idle since July.

One injunction, issued by U.S. District Judge Marilyn Hall Patel this summer, unfairly places the burden on the major record labels to constantly monitor Napster and complain every time two users swap a file in violation of the record company’s copyrights, the attorney representing the recording industry said.

Russell Frackman told a three-judge panel of the 9th U.S. Circuit Court of Appeals Monday that Napster should bear the responsibility to police its own system.

‘‘Their obligation is to police to the fullest, not hide their heads," Frackman said.

The major record labels sued Napster Inc. in 1999, claiming the service violates its copyrights by allowing users to trade unauthorized copies of songs.

Napster shut down in July after Patel ordered that the service not operate until it could guarantee that it would filter out 100 percent of all copyright violations.

Napster remains idle while it works to unveil a new, subscription-based service.

Patel has ruled that the record labels must not only provide a list of the names of protected songs for Napster to take off its system, but actual computer file names created by Napster users.

Frackman said that ruling went too far.

‘‘It imposes on us an enormous, continuing and brand new burden," Frackman said. ‘‘We have to be on the system, find a person, locate the file, give notice and three days later Napster takes it down."

Judge Robert Beezer challenged Frackman, saying that the song-by-song enforcement system gives the record companies a list of violations to present to a jury once the case goes to trial.

‘‘If they keep violating your stuff, keep telling them to get it off and then when you go to trial, there’s your evidence," Beezer said.

The record companies are seeking the maximum statutory damages of $100,000 for each work infringed and believe the total amount of damages will exceed $100 million. No trial date has been set.

The attorney for Napster took issue with a number of Patel’s actions, including her reliance on a technical consultant for advice.

Lawrence Robbins told the appeals court that adopting a ‘‘zero tolerance policy," requiring Napster to filter out every possible copyright violation, did not reflect the limits of the technology in use and is a harsher standard than the law requires.

‘‘(Judge Patel said) ’You stay down until you can assure me that there will not appear anywhere on that system an infringing work,"’ Robbins said. ‘‘That is not respecting the limitations of the architecture."

‘‘I respect the architecture, but I also respect the copyright law," Beezer said.

Robbins also said the record labels should be required to provide specific computer file names so Napster can take the file off its system and, if necessary, bar the person who posted the file.

It is not known when the court will rule on the appeals.

Antivirus Firms Say They Won’t Create FBI Loophole

Anti-virus software vendors said on Monday they don’t want to create a loophole in their security products to let the FBI or other government agencies use a virus to eavesdrop on the computer communications of suspected criminals.

Under a project code named ‘‘Magic Lantern," the U.S. Federal Bureau of Investigation is creating an e-mail-borne virus or Trojan horse that hides itself on the computer and captures all keystrokes made, including passwords that could be used to read encrypted mail, according to a report on MSNBC.com in November.

Despite subsequent reports to the contrary, officials at Symantec Corp. and Network Associates Inc. said they had no intention of voluntarily modifying their products to satisfy the FBI. Spokesmen at two other computer security companies, Japan-based Trend Micro Inc. and the U.S. subsidiary of UK-based Sophos PLc., made similar statements.

All four anti-virus companies said they had not contacted or been contacted by the U.S. government on the matter.

The FBI declined to confirm or deny the report about ‘‘Magic Lantern," when it was first published by MSNBC.com and a spokesman was not available for comment on Monday.

‘‘We’re in the business of providing a virus-free environment for our users and we’re not going to do anything to compromise that security," said Tony Thompson of Network Associates.

‘‘Symantec’s first priority is to protect our customers from malicious and illegal attacks," Symantec Chief Executive John W. Thompson said in a statement. ‘‘We have no intention of creating or leaving a hole in our software that might compromise that security."

If anti-virus vendors were to leave a hole for an FBI-created Trojan horse program, malicious hackers would try to exploit the hole too, experts said.

‘‘If you leave the weakness for the FBI, you leave it for everybody," said Fred Cohen, an independent security expert and digital forensics professor at the University of New Haven.

From the industry perspective, leaving a hole in anti-virus software would erode public confidence and damage the reputation of the vendor, sending customers to competing companies, the vendors said.

The government would have to convince all anti-virus vendors to cooperate or the plan wouldn’t work, since those not cooperating would have a market advantage and since they all share information, said a Symantec spokeswoman.

‘‘The thought that you would be able to convince the industry as a whole to do this is kind of naive," she said.

Symantec and Networks Associates, both of whom have investments in China, would not jeopardize their footings in that market, said Rob Rosenberger, editor of www.vmyths.com, a Web site that debunks virus hoaxes.

‘‘If (the Chinese) thought that the company was a tool of the CIA, China would stop using those products in critical environments," Rosenberger said. ‘‘It is in the best interest of anti-virus vendors not to heed the call of the FBI."

‘‘We always try to cooperate with the authorities when it’s appropriate. Having said that, our No. 1 goal is to protect our customers," said Barbara Woolf of Trend Micro. ‘‘I’ve heard reports that the government is upset this got out and is going back to the drawing board."

Appeasing the U.S. government would be difficult for vendors who have parent companies and customers outside the United States, they said.

‘‘If the laws of the land were to change to permit this kind of activity then we would abide by the law," said David Hughes, president of Sophos’ U.S. subsidiary.

But ‘‘how would a vendor provide protection for customers outside of the specific jurisdiction?" Hughes asked. ‘‘If we were to do this for the U.S. government we’d also have to do it for the government of any other nation that would want to do something similar."

FBI Confirms ’Magic Lantern’ Project Exists

An FBI spokesman confirmed on Wednesday that the U.S. government is working on a controversial Internet spying technology, code-named ‘‘Magic Lantern", which could be used to eavesdrop on computer communications by suspected criminals.

‘‘It is a workbench project" that has not yet been deployed, said FBI spokesman Paul Bresson. ‘‘We can’t discuss it because it’s under development."

The FBI has already acknowledged that it uses software that records keystrokes typed into a computer to obtain passwords that can be used to read encrypted e-mail and other documents as part of criminal investigations.

Magic Lantern reportedly would allow the agency to plant a Trojan horse keystroke logger on a target’s PC by sending a computer virus over the Internet, rather than require physical access to the computer as is now the case.

Malicious hackers have been known to use e-mail or other remote methods for installing spying technology, security experts said.

When word of Magic Lantern leaked out in published reports in November, civil libertarians said the program could easily be abused by overzealous law enforcement agencies.

When asked if Magic Lantern would require a court order for the FBI to use it, as existing keystroke logger technology does, Bresson said: ‘‘Like all technology projects or tools deployed by the FBI it would be used pursuant to the appropriate legal process."

Major anti-virus vendors this week said they would not voluntarily cooperate with the FBI and said their products would continue to be updated to detect and prevent viruses, regardless of their origin, unless there was a legal order otherwise.

Doing so would anger customers and alienate non-U.S. customers and governments, they said, adding that there had been no requests by the FBI to ignore any viruses.

The FBI set a precedent in a similar case by asking Internet service providers to install technology in their networks that allows officials to secretly read e-mails of criminal investigation targets.

While the FBI requires a court order to install its technology, formerly called ‘‘Carnivore," some service providers reportedly comply voluntarily, while court orders are relatively easy to get, civil libertarians argue.

Given the hijacking attacks of Sept. 11, it is also conceivable that the U.S. government would enlist the aid of private companies to combat terrorism and help its war effort, said Michael Erbschloe, vice president of research at Computer Economics, which analyzes the impact of viruses.

‘‘In previous wars, including World War II, the government had the power to call on companies to help; to commandeer the technology," said Erbschloe, author of ‘‘Information Warfare: How to Survive Cyber Attacks."

‘‘If we were at war the government would be able to require technology companies to cooperate, I believe, in a number of ways, including getting back door access to information and computer systems."

Scooter Craze Fades Along with Dot-Coms

Where have all the scooters gone?

Once a symbol of dot-com cool and a major fad that rolled across the nation, Razors and other ‘‘push scooters" are now begging for buyers, retailers say.

Many of the hip Internet set who were scootering down the hilly streets of this city by the bay just a year ago have shifted to more traditional modes of transportation, reflecting the more sober mood of the recessionary times.

‘‘For people who used them because they were cool, hip and fun, the fad is probably over," said Monica Noordam, a spokeswoman for San Francisco online learning company DigitalThink Inc., which still keeps scooters on hand for staff to zip between its three buildings.

But even with a corporate blessing, scooters for its 300 workers in San Francisco are not used as much as in their heyday.

‘‘You see two to five people zipping around," she Noordam.

When the dot-com money was hot, scooters -- especially push scooters -- abounded on San Francisco streets.

‘‘No more than a Razor-scooter ride from a multitude of cultural attractions and contradictions!" says a loft developer in apartment advertisements that now seem nostalgic.

But manufacturers and retailers tell the sad story of today’s market. In one of the biggest sales drops in recent memory for any product, Huffy Corp. said its scooter sales plunged from $44 million in last year’s third quarter to "virtually no scooters" this year.

Meanwhile, San Francisco-headquartered retailer Sharper Image Corp., which sells a wide range of gadgets and novelties, reported a 20 percent drop in its November sales -- and blamed nearly all of the decline on scooters.

What happened to the scooter craze? Analysts say the adolescent toys fit the mood in San Francisco’s boom days, when a generation of twenty-somethings enjoying easy success at a young age was still clinging to kid’s toys. The California fad inspired younger buyers throughout the country.

But as the dot-com bubble burst, so did scooter sales -- and an already saturated kids’ market moved on to other toys.

Nationally, scooter sales peaked in last December, and no other outdoor recreational product has come along to offer the same kick to retail sales, said Kristine Koerber, an analyst at WR Hambrecht.

‘‘Last year was huge for scooter sales," said Koerber. ‘‘It was a fad. We had a year of a scooter craze and then it died."

Now, it’s being looked at a classic fad.

Between 8 million and 12 million scooters were sold in the United States last year, according to Katherine Mahoney, a spokeswoman for Razor USA Llc, the biggest U.S. scooter maker.

Privately-held Razor last year sold more than 5 million scooters, said Mahoney.

While the buyers were mostly younger, and spread throughout the company, it was the Internet industry’s ‘‘urban hipsters" helped who trigger the initial sales surge, said Mahoney.

‘‘That audience influences a lot of trends," she said. ‘‘The first person I saw on a scooter was a 30ish person in a suit in Manhattan."

While scooters have saturated the children’s market, scooters bought in 2000 have yet to suffer enough wear and tear to be replaced, Mahoney said.

Sharper Image recently cited the bursting of the ‘‘scooter bubble" as a major reason for a decline in overall sales. Its November sales fell 20 percent year-over-year on a same-store basis. Excluding sales of the Razor Scooter -- the high-end and best-known brand-- same-store sales were down just 1 percent.

‘‘All of our sales channels still face difficult comparisons to last year’s exceptional sales gains, primarily driven by the Razor Scooter phenomenon," Sharper Image Chief Executive Richard Thalheimer said on Thursday.

In another sign of the collapse, bicycle maker Huffy Corp. posted a $2.8 million third-quarter loss, compared with a year-earlier profit of $5.2 million, after selling "virtually" no scooters in the third quarter.

A year earlier, Huffy had $44 million in scooter sales.

Once, scooters were in such demand, shortages made them hard to get. But now retailers are trying to spur sales with bargains. The Sharper Image Web site advertises the Razor Wheel.e Scooter at a $20 discount, or about 40 percent off, for $29.95. A year-ago, many souped-up models were selling for $1000 and more.

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